In discussing the fourth point, the lack of economy and care due to the absence of a personal interest in the work, the author seems to be making the comparison with conditions of an earlier time. Why should a railway officer or employee have more personal interest in the work he is doing for the United Railways Company than in the same work done for the London County Council? Unless the recent tendency to concentrate all kinds of industrial enterprises in the hands of larger and larger companies be checked, the force of the old argument in favor of private enterprise on the ground of personal interest of the workman or manager loses much of its force.

The author's toleration, fair spirit, and breadth of view are shown in the credit he gives public officials who fail to get good results. He admits their honesty and their good intentions but thinks they are in the wrong field. His experience as president of the London County Council should give great weight to his conclusions. The reader who seeks a clear, brief statement of the arguments against municipal trading cannot find the case more satisfactorily stated than in Lord Avebury's book.

WILLIAM HILL

UNIVERSITY OF CHICAGO

American Finance. Part First—Domestic. By W. R. LAWSON. London: William Blackwood & Sons, 1906. 8vo, pp. vi+391.

Mr. W. R. Lawson—not the author of Frenzied Finance—writes of American financial institutions in a style, perhaps, somewhat too discussive to be taken quite seriously, but his chapters give evidence that he is fairly well informed regarding American financial development.

The treatment of Civil War finance and of our currency problems is not, however, entirely satisfactory. One reads of the "moderate advance" in gold from 152 to 191 in the first half of 1864. And, again, that "fluctuating standards of value may cause great inconvenience, but to the community as a whole they cannot do very serious harm." The writer seems to believe that it is only in its effect upon foreign trade that an inflated currency may have serious consequences. As a matter of fact, since international trade is always in terms of gold it is quite independent of national currency systems, and is bound to suffer much less from currency inflations than does domestic trade.

Certainly exception must be taken to the author's statement, in his discussion of the loss occasioned by the issue of legal tenders during the civil war, that "the excess of currency over specie values [of imports] is the cost to the importers of the depreciated dollar." He reasons after this fashion:

> On the whole seventeen years of suspended specie payments the paper dollar averaged 80 cents in gold, a depreciation of 20 per cent. American importers may therefore be said to have had to pay 20 per cent more for their goods than they might have done under a gold standard.

Apart from the consideration that average depreciation gives one no basis whatever for estimating the total loss due to the issue of greenbacks, it is clear that neither the importers as a class, nor the community as a whole, suffered any loss in international trade, in any respect whatever commensurate with depreciation of the currency. Obligations contracted in international trade were satisfied in one way or another at the time—by the exportation of goods or by the shipment of gold, or the transmission of securities. In no conceivable case could any loss to the community be figured on the basis of currency depreciation. Again, the author's whole discussion of our "three-billion-dollar currency" is seriously impaired by his uncritical acceptance of our official statistics of the quantity of gold and silver in circulation. It is quite improbable, for example, that the gold in circulation is approximately sixteen dollars per capita. The statistical data in the chapter on our "2,000,000,000 'Hard' Dollars" are irrelevant and unconvincing, and the assumption more or less generally implied throughout the discussion that our silver constitutes a reserve against our paper, and may be added to our stock of gold as an element of strength in our monetary system is misleading.

Much might be said in review of Mr. Lawson's discussion of the creative functions of our financial institutions, the relation of Wall Street financiering to the trust movement, of the effect of our speculative banking operations upon our industrial development and of the financiered exploitation and waste of national resources in the pursuit of wealth. Any detailed consideration of the author's discussive treatment of these topics would, however, prolong this review to too great length. In general the discussion of these questions as of our financial experience as a whole is suggestive and stimulating. It is, however, rather picturesque than analytic.

JOHN CUMMINGS

UNIVERSITY OF CHICAGO